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Tom Vujovich - Chair called the meeting to order at 11:10 a.m. The following members were in attendance: Rich Stenner, George VanHorn, Ed Curtin.

Minutes

Minutes for review 6/4/07.	Approval of minutes as submitted.
(** - denotes questions) (indicates unknown sp	peaker)

Action Items

Zaharako Tax Abatement

Jim Clouse/Community Development – Question for Moravec Realty LLC/Zaharako Sweet Shop. Reason – property has actually been purchased by Moravec Realty/Leased to Zaharako Sweet Shop. Moravec Realty for real estate, personal property tax abatement under Zaharako Sweet Shop. Within the TIF distraction, able to accept this application because it is in the downtown EDTA and will be a retail establishment. Under those guidelines can look as a possible abatement candidate for taxes. The investments will be \$500,000 to rehabilitate the real facilities and looking at equipment and potential abatement investment of \$1,500,000 (\$1,000,000 to restore a pipe organ). The \$500,000 would be kitchen equipment.

Tom – Determination on the pipe organ, who makes that decision?

Jim – I have called the State on that and was not given a clear answer but their indication that it would not be applicable for a property tax abatement, most likely would be a good candidate for an investment tax credit. Actually I think would benefit Zaharako's even more so since it is a tax credit and not a tax abatement. They might be looking at that avenue.

Tom – The abatement term?

Jim – For this \$500,000 to rehabilitate the facility, plus another \$500,000 for personal property, they would be able to receive a 10 year abatement since it is \$1,000,000.

Tom – I do not believe we have approved any abatement longer than 6 years. Hotel Indigo is a 6 year abatement. Abatements that we have approved within the Woodside Industrial Park, all those have been 10 year. We have had 2 downtown - Indigo and the Nelson Bible Mart project and those have both been 6 year abatements. If we were to apply that precedent to this, we would be approving and passing on to City Council would be a 6 year abatement.

Jim – They would only be able to receive a 10 year abatement if the threshold is \$1,000,000. If they did not invest \$1,000,000 then they would not be able to receive 10 year abatement anyway.

Tom – Commissioners questions/comments?

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Motion to approve abatement request up to 6 years for real property, second – APPROVED

Contract Award for Parking Garage

Ed – Copies of spread sheet for bids that came in last week. Two bids received, one from Repp & Mundt, one from Wilhelm. Repp & Mundt was \$10,530,000, Wilhelm was \$8,627,000. Terry has reviewed those documents from a legal standpoint and our understanding is that they meet all the criteria from a legal standpoint. At that point, unless you have any questions, I would recommend that we accept Wilhelm's bid of \$8,627,000 pursuit to a negotiated PLA and a contract with them which we anticipate getting done in the next couple of weeks.

Terry – Ed has accurately summarized what he and I discussed.

Tom - Commissioners/Questions – What steps did we go through since the Commission met regarding the bids?

Ed – We had the parking garage review committee meet the Friday immediately following the Commission meeting. We discussed both bids. We went through all the alternates and the parking garage review committee was to go Wilhelm. We had Terry review the documents from a legal standpoint and make sure that there was not anything that was done improperly and we have also talked with the company.

Tom – Based on our work with Crowe Chizek, we have the money to satisfy this contract?

Ed – We do not have it in hand but we have the ability. One of our next steps would be to do the bonds.

Motion to accept Wilhelm bid at level and conditions as presented, second – APPROVED

NEXT STEPS

Ed – Go through alternate piece and identify those that we would want to accept so we can get that done as part of the contract when we sit down with Wilhelm. Individual line items presented for substitution. Substitutions brings contract down to \$8,051,312.

Tom – Basis for deleting plant trellis system?

Ed – Because of concrete building would be able to do what the corporate office building has done, we have a fairly wide planting area adjacent to that. We can plant the vines and they will grow up the building on their own, without the trellis system. So it does save us some money but we still get a similar kind of effect.

Tom – You have had a conversation with Koetter/Kim and what is the outcome of that?

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Ed – They agreed in principal with all of the recommendations I just made with the exception of adding the stair and deleting the metal grill but I talked with Bill Fitzpatrick this morning and we agreed that this would be the list that we would end up bringing to the commission and we will work from there.

Tom – With these additions/deletions, the recommendation from the Design Review Committee then would be that these things will not impact the aesthetic quality of the garage or the structural integrity of the garage. Ed – correct

George – Tell me about deleting metal screen type 3?

Ed – On the garage, on the 2nd and 3rd levels, there is metal screen all along Jackson Street and in the inserts on panels on 4th and 5th there are metal screens. What we would be doing is metal screen type 2 essentially goes the length of Jackson Street and is the predominant element. Metal screen 3 or 1 is actually recessed from that front screen so if we take that out you still have a similar kind of appearance because it was recessed and it would have been a little bit darker anyway. The screens on 4th and 5th street we believe that we can do that a little bit differently but in order to do that we will need to delete them out and then figure out what the cost would be to put that back in. To make it the simplest, we would delete it and then work with the contractor to look at ways that we can do some value engineering and add some of these things back in that we would like to have.

George – Is there a projection on what cost to add back will be?

Ed-No, all we have are these alternates to work with and that is what we have to deal with today but we can certainly add it as a change order process once we start the contract. We would be able to work with the contractor to identify things that we can either add back in or delete that were not on this list.

Geroge - Us our future ability to make change orders limited to a percentage of the contract?

Ed – It is limited to up to 20% of the contract. If we say generally the number is \$8 million, just to make it easy, you are looking at \$1.6 million either way. Hopefully we will never approach that.

George – I would assume you would have to stay within the \$8.6 million, so it really is not a million either way, we could not go up from the \$8.051 to \$9.051.

Tom – Terry, handling of change orders, additions, deletions through value engineering, any issues or concerns that you would have with that.

Terry – No, I think they will be part of the final contract. As long as the architect is signed off on that, then that should not be a problem.

Tom - Wilhelm has made a deal for the garage, we are in the process of accepting their bid and making some changes to it. Terry mentioned the contract. How come we will enter into a contract with them?

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Ed – That would be the Redevelopment Commission and one of the things that I was also going to request was that the Commission authorize Tom as President of the Commission to sign that contract once we get through all the steps that we need to take to get there and also subject to review of that contract.

Tom – Unlike Repp & Mundt which gave a number of days from word to proceed, Wilhelm has said 3/14/2008. Ed – yes. How much time between the contract and notice to proceed?

Ed - As soon as we have a contract signed and worked out we give the notice to proceed on the project.

Corey – So we could authorize this morning if we choose to both those steps.

Ed – Once we have the money in hand I should say and that is selling bonds and we can't do that.

Corey - Authorize the Chair of the Commission to execute contract and to give notice to proceed.

Ed – yes. Another step is actually selling the bonds and getting that taken care of.

Tom – Ed, there are 2 things then you are requesting approval on at this point, one is this list of alternates and the second is authorizing the President of the Commission to sign the contract on behalf of the Commission and issue the order to proceed. Ed – right.

No other comments.

Motion to accept the list of alternates and authorize the President to execute the contract and sign the order to proceed with appropriate. Second – Stenner. APPROVED

Patriot Engineering Proposal for Testing/Parking Garage Project

Ed - We have a proposal from Patriot Engineering to provide all the testing that is required on the parking garage. That contract amount would be \$60,800. That is one of the elements that is critical to the success of the project. Patriot comes very highly recommended by Harold Hatter. They did all the testing on Central Middle School, actually the person that would be doing all testing lives here in Columbus and everybody that I have talked to has a great deal of respect for him and so I would recommend that we accept their proposal contingent upon review by our counsel.

Tom/Ed – The funds for this testing ideally comes through the Cummins Foundation money that we have been provided for consulting on the project.

Tom/Ed – The testing that Patriot does involves everything from the sub-base all the way through the garage. They test the ground to make sure it is compacted adequately before we start the foundations. They test the concrete. They test the steel. They test virtually everything that is on

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the project to make sure it is meeting the specifications that we have from a structural design standpoint, to make sure we are getting what we pay for.

Tom – How does this differ from the soil borings that were done on the site preliminarily?

Ed – The soil borings that were done by Weidlinger & Associates, and Earth Exploration, that was to provide the information to the structural engineer to actually design the structure and the footings for the building and what that testing did was to understand the characteristics of the soil and if it is loose or compacted, what they have to do to make sure the building is going to be stable and safe. That was to get them through the structural design process. The work that Patriot would be doing is making sure that what the structural engineer called out in terms of what was required to build the structure is in fact in place before they start building.

Tom - Patriot would be involved throughout the entire project? Ed – yes - If a concrete wall is poured, Patriot would be testing. Ed – for every concrete pour, Patriot would take a specified number of cylinders, the same concrete that is being put in that wall goes in that cylinder, they break that cylinder 7 days and 28 days and they have a couple of spares to make sure that the concrete is reaching strength that is called for. Tom - We have the funds from the foundation? Ed – yes. Tom - Because we are paying for it they would be reporting to us? Ed – correct, they are our consultant on the project.

Motion to accept the proposal from Patriot Engineering for the testing. Second / VanHorn – APPROVED.

Indoor Sports Complex

Ed – We have been given a donation from Cummins to provide the funds necessary to provide earnest money to two of those property owners to enter into options to purchase those properties. We would want to be able to cut those checks to those property owners to keep those two options to buy the properties.

Tom – With the property under option then essentially it is under the control of the Redevelopment Commission? Ed – Right. Tom – What will that achieve?

Ed – What that does is allow us to move forward with the developer and gives them a lot more assurance that we are moving forward and we can get us in a position to actually close on those properties in a timely fashion and get that project started.

Tom - Two pricing decisions in an option. One would be the amount that you can pay for the option and then the second price is what you can pay for the property. How are those prices determined for this process?

Ed – With one of the properties it was negotiated and with the other property we are in that process and will likely get appraisals of the property to do it that way. One is negotiated and one will like be appraised.

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George – We already have the money from Cummins?

Motion by VanHorn - to expend up to \$5000 for the exercise of two options (\$2500 each/\$5000 total). Second – APPROVED.

Approval of Claims

Ed – Stack of claims is getting bigger so we are probably going to change the process that we use to do this in the near future to vote with a docket of claims but you do have a listing of all of the with the exception of The Republic, which we will add to that list for \$76.19. I would recommend that we approve all the claims that we have.

Tom - Just to make sure that we have the budget to support these claims and the future funds?

Ed-Yes, we have the money to pay all those claims in our budget, in our account right now and will be getting some additional funds.

Tom – Are we waiting on any additional grant funds to cover any of this in the future or have they all been paid out?

Ed – Barnes & Thornburg, that will be paid out upon payment and I need to get the invoices over to Cummins Foundation so they can cut the check for those for a couple of consultants but that has been pretty timely.

George – Barnes & Thornburg, we pay that as a bond sale? So we are approving this now but we don't have the money?

Ed – Yes, so we don't send them a check and we have already talked with Barnes & Thornburg that that would ultimately be done when the bonds are sold but as the work was completed we wanted to have the Commission approve those claims so there was a record of it and then as soon as we have the funds available then we can process the check.

Tom - We approved the claims to Crowe Chizek or will we?

Ed – They have not submitted any claims to us at this point. My guess is they will hold off until they actually get the bonds sold and then they will submit it and we will process it.

Motion to approve claims as submitted. Second - APPROVED

Director's Report/Questions

Ed – Pretty busy on a lot of different fronts.

- Having conference calls weekly with the Indoor Sports Developer that is going very well I think.

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- We are moving forward with the Commons Project to gather the additional information that we need for that.
- We have met with the Post Office and we are reviewing the information that they have provided to us to help us determine which direction we want to go. There are two pieces that we do not have yet from them, one is the lease and the other is the appraisal of that property so we will know more once we get those two pieces of information.

I can tell you that we are continuing to get interest in people coming to town, I got a call actually this morning from a broker in Cincinnati that is coming over this afternoon to meet with me about some retailers that would like to come to town. People are obviously hearing about what is going on and it is creating some excitement so we want to try and help them locate here. Moving forward on a lot of different fronts.

Tom – Rich, you were part of the discussion with the Postal representatives, anything that you would want to add or characterize out of those meetings.

Rich – There was as far as we know the first ever meeting of the USPS, City of Columbus, Redevelopment Commission and The Teachers Retirement Fund. So the people that own the land and the building and those of us on the city side who are interested in acquiring the building were all in the same room at the same time. That project dates back more than 30 years at this point. Many of the details I think were, as we have discussed in previous meetings, the Post Office has the only option to purchase the land. They have an option to purchase the building. They have the ability of terms of release of the land too to purchase every 5th year. They had an option in 2000, an option in 2005 and will have another option in 2010. The Post Office, and this was new information for us, is more interested at this point in one new facility somewhere else that would have both operational capabilities, as well as retail capacity. They would be interested in having retail downtown but do not want to have a new operations center without retail in the same building. The size requirements, although I do not remember the exact numbers for substantial improvement over what they have now is not adequate. Certainly well represented.

Tom – After over a year of having this rest within the USPS organization, it was good to get it back out on the table and get the discussion started again. It is pretty clear from the numbers that they were presenting that there is quite a bit more discussion that needs to take place before we are to the point where we are ready to move ahead on that but it was a good meeting if for no other reason as you said, first opportunity to get everybody around the table and get the discussions moving.

Ed – At our last meeting we had talked a little bit about Economic Development Policy and with Corey's schedule we simply did not have an opportunity to meet but hopefully we will be able to do that prior to our next meeting.

Tom - Quick review of the calendar, what we have going on, what is going to happen on these projects? I know the parking garage, several things that we have talked about in this meeting. The Post Office we really do not have the next step identified at this point?

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Ed - As soon as we get the appraisal and they provide us a copy of the lease, then I think we are in a position where we can really evaluate that opportunity more fully. I think the next step from the Post Office standpoint would whether they choose to exercise their option to purchase the property and if they choose to purchase it that sends us down one path, if they choose not to purchase it and then that frees up The Teachers Retirement Fund to sell it to somebody else, that may send us down a different path. That is the next steps with that.

Tom - On the hospitality side the two hotels?

Ed – My understanding is that Indigo should open November, early December this year. As far as I know everything is moving forward with Candlewood and that would probably start the first quarter of 2008.

Tom – The action that the Commons, City took on cleaning up the property lines that clears the way for Candlewood to start? Ed – Right

Tom – On Indigo, Ed, if you could contact Tim Dora and see if there is an opportunity for the Commissioners to take a walk through of that facility some time this fall.

Ed – it's moving along pretty quick.

Tom – As far as the future of the Commons is concerned, the recent discussions?

Ed – Working group of Bob Stevens, Tom, David Doup, Cheryl Buckle, myself have been working and we just met this week with Robin Winston and discussed information that you provided us. We want to get that information circulated to the commission and counsel and we would like to get something in the paper, what our findings have been.

Meeting adjourned 11:48 a.m.

Next meeting in 9/10/2007 – Cancel 8/6/2007